

# MBS & TREASURY MARKETS

Daily Coverage. Industry Leading Perspective.

## MBS Recap: Modest Incidental Weakness



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## Modest Incidental Weakness

**MBS Recap** | Matthew Graham | 3:51 PM

Despite a bit of incidental selling today, the bond market has survived the winter holiday season without even attempting to break outside the narrow prevailing range. This is especially true for shorter duration Treasuries and MBS. It has been and continues to be the case that we won't get a sense of the next wave of momentum until next week at the earliest. It could take even longer if the econ data fails to make a compelling case for better or worse.

The screenshot shows the MBS LIVE software interface. On the left, there's a 'REAL TIME PRICING' section with a table for 'MBS 30 Year' bonds, showing prices and yields for various maturities. In the center, there are three 'REAL TIME CHART (BOND)' windows for '30YR FOMC 4.0', '10 Year Treasury', and '10 Year Treasury'. The '10 Year Treasury' chart is highlighted with a green box and shows a price of 106.75. A large circular video player overlay is positioned in the center of the charts. On the right, there's a 'MBS LIVE CHAT' window with a list of messages from users like 'Victor Deutch' and 'Andy Deutch'. At the bottom, there's a 'LIVE NEWS STREAM' and a 'USER REPORTS' section.

**PLAY VIDEO**



[Watch the Video](#)

## MBS Morning

10:47 AM Monitoring For Misbehavior

**Alert**

11:04 AM Down an Eighth From AM Highs

**Alert**

1:41 PM Negative Reprice Risk Increasing

3:39 PM

## Econ Data / Events

- ○ S&P Global Manufacturing PMI
  - 51.8 vs 51.8 fcst, 52.2 prev

## Market Movement Recap

09:35 AM Modestly stronger overnight and little-changed so far. MBS up 2 ticks (.06) and 10yr down 0.3bps at 4.165

01:29 PM weakest levels of the day. MBS down 1 tick (.03) and 10yr up 1.7bps at 4.186

## Lock / Float Considerations

- We're now entering peak holiday mode for bond markets. This means a wider range of movement that can happen for no apparent reason even though the average year sees rates drift aimlessly sideways in the 2nd half of December. The next risk for consequential volatility from scheduled events won't be until the first week of January.

## Technicals/Trends in 10yr (why 10yr)

- Ceiling/Support (can be used as "lock triggers")

- o 4.48
- o 4.40
- o 4.34
- o 4.28
- o 4.19
- o 4.12
- o 4.05

- Floor/Resistance

- o 3.89
- o 3.97

## MBS & Treasury Markets



### MBS

30YR UMBS 5.0

30YR UMBS 5.5

30YR GNMA 5.0

15YR UMBS-15 5.0

+

### US Treasuries

10 YR	4.192%	+0.023%
2 YR	3.476%	+0.001%
30 YR	4.870%	+0.026%
5 YR	3.742%	+0.015%

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